

General Information

Estimated tax is the amount of tax which you pay on income that you expect to receive during the year that will not be subject to withholding. To determine the amount of your estimated tax, first calculate your total expected gross income, then subtract personal exemptions and deductions to arrive at taxable income. Apply the appropriate tax rate to your expected taxable income. Subtract total anticipated credits and withholdings to arrive at your estimated tax. If your estimated tax exceeds \$400, you are required to make a declaration of estimated tax and quarterly estimated tax payments. Form NJ-1040-ES is available to make estimated tax payments to the State of New Jersey.

To avoid having to make estimated tax payments, you may ask your employer to withhold an additional amount from your wages by completing Form NJ-W4. If you have pension income, file Form NJ-W-4P with the payer of the pension to have tax withheld. Failure to file a Declaration of Estimated Tax or to pay all or part of a required quarterly estimated tax payment will result in interest charges on the underpayment.

Use the worksheet on page 3 to determine the amount of each estimated tax payment.

Who Must File

Resident and nonresident individuals as well as certain estates and trusts are required to file a declaration of estimated tax for every tax year in which total New Jersey estimated tax (Line 18 of the worksheet on page 3) is more than \$400.

Please consider the following when determining whether or not estimated tax payments are required.

Minimum Income Filing Threshold. A taxpayer is not required to file a New Jersey income tax return or pay tax if gross income for the entire year is \$20,000 or less (filing status married, filing joint return or head of household or qualifying widow(er)), or \$10,000 or less (estates and trusts, or individuals with filing status single or married, filing separate return).

Retirement Income Exclusion. Individuals who qualify may be able to exclude from gross income up to \$20,000 (filing status married, filing joint return), \$15,000 (filing status single, head of household or qualifying widow(er)), or \$10,000 (filing status married, filing separate return) of taxable pension and other income.

When to File

Your declaration and first installment must be filed on or before April 15, 2005, for calendar year filers or by the date specified in these instructions for *Farmers* or *Changes in Income*. If you elect to pay your estimated tax in four equal installments, additional declarations and payments must be filed on or before June 15, 2005, September 15, 2005, and January 15, 2006. However, if any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.

Where to File

Mail your declaration vouchers along with your check or money order to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER
PO Box 222
TRENTON NJ 08646-0222

Write your social security number on your check. Joint declarations must include the social security numbers of both spouses on all documents submitted. Fiduciaries must include the Federal employer identification number of the estate or trust.

How to Calculate Your Estimated Tax

If you are a calendar year taxpayer, estimate tax for the period from January 1, 2005, to December 31, 2005. Determine your expected gross income, then subtract personal exemptions and deductions to arrive at expected taxable income. Apply the appropriate tax rate to your expected taxable income. Subtract total anticipated credits and withholdings to arrive at your estimated tax. Use the worksheet on page 3 as a guide for computing your estimated tax.

Exemptions

Each taxpayer may claim the following personal exemptions:

- Taxpayer (and either spouse, if filing jointly, or domestic partner) – \$1,000 each
- Taxpayer (and spouse if filing jointly) who is 65 years of age or more – an additional \$1,000 each
- Taxpayer (and spouse if filing jointly) who is blind or disabled – an additional \$1,000 each
- Each dependent who qualifies as your dependent for Federal income tax purposes – \$1,500 per dependent
- Each dependent under 22 years of age who is attending an accredited institution of higher education full time – an additional \$1,000 per dependent

Deductions

Individuals may deduct the following:

- Medical expenses in excess of 2% (.02) of gross income, qualified Archer medical savings account (MSA) contributions, and health insurance costs of the self-employed
- Alimony and separate maintenance payments, subject to certain limitations
- Qualified conservation contributions

Property Tax Deduction/Credit

Refer to the written instructions which accompany the NJ-1040 or NJ-1040EZ resident income tax returns for an explanation of how to compute the property tax deduction or credit.

Estimated Tax Worksheet for 2005

Refer to the written instructions which accompany the NJ-1040, NJ-1040NR, and NJ-1041 income tax returns for definitions of what constitutes income, exemptions, expenses, deductions, and credits.

Fiscal Year Taxpayers

Fiscal year filers should estimate their tax based on the expected income for the period covering their fiscal year. If your tax return is filed on a fiscal year basis, change the calendar year dates on the vouchers to correspond with the 15th day of the fourth, sixth, and ninth month of your fiscal year, and the first month of your succeeding fiscal year.

Payment of Estimated Tax

You may pay your estimated tax in full by the due date of the first installment or in four equal installments. Estimated payments may be made by:

Check or Money Order, payable to **State of New Jersey – TGL**.

Write your social security number (Federal employer identification number for estates or trusts) on the check or money order and enclose the completed declaration voucher for the period.

Electronic Check (e-check), available on the Division's Web site (www.state.nj.us/treasury/taxation/). Those without Internet access can pay by e-check by contacting the Division's Customer Service Center at 609-292-6400. Do not send in a declaration of estimated tax voucher when paying by e-check. When using e-check on the Web, you will need your social security number (Federal employer identification number for estates or trusts), and your date of birth to make a payment.

Credit Card, by phone (1-800-2PAYTAX, toll free) or over the Internet (www.officialpayments.com), using a Visa, American Express, MasterCard, or Discover/Novus credit card. You may be asked to enter a jurisdiction code to make your payment. The code for New Jersey is 4000. A convenience fee of 2.5% of the tax payment is paid directly to Official Payments Corporation. Do not send in a declaration of estimated tax voucher when paying by credit card.

Changes in Income, Exemptions, etc.

Although you may not be required to file a Declaration of Estimated Tax on April 15, 2005, your situation can change and you may have to file a declaration later in the year. Calendar year filers must file by:

- June 15, 2005 – if changes occur after April 1 and before June 2
- Sept. 15, 2005 – if changes occur after June 1 and before Sept. 2
- Jan. 15, 2006 – if changes occur after Sept. 1

Pay the estimated tax in equal installments on the remaining payment dates.

You need not file a January 15, 2006, Declaration of Estimated Tax as long as you file your 2005 income tax return by February 15, 2006, and pay the entire balance due. This applies also to filing an amended declaration, or filing an original declaration which would be first due in the fourth quarter, or paying the last installment of your estimated tax.

Farmers

An individual may file a declaration of estimated tax at any time on or before January 15 of the succeeding year if at least two-thirds of his total estimated income for the taxable year is derived from farming (including oyster farming). Farmers filing declarations by January 15 must pay estimated taxes in full with the declaration.

Amended Declarations

If a declaration is amended, any remaining installments must be adjusted to reflect the change in estimated tax. If an amended declaration is made after September 15, 2005, any increase in estimated tax must be paid at the time the amended declaration is filed. Use the Amended Computation Schedule on page 4 to determine the amount of your remaining installments.

Failure to File a Declaration or to Pay Estimated Tax

If a declaration is filed after the due date, it does not affect the due date of the remaining installments. If you fail to pay all or any part of any required declaration of estimated tax, *underpayment of estimated tax* occurs. Interest at the annual rate of 3% above the prime rate is added to the underpayment amount for that period. See *Interest*, below.

The estate of a taxpayer who dies during the taxable year may be required to start (or continue) filing estimated tax payments.

Form NJ-2210

If you fail to make all required estimated tax payments, complete Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts, to determine if interest is due and if so, to calculate the amount. Instructions are included with the form.

Interest

Interest will be assessed at the prime rate plus 3%, compounded annually. At the end of each calendar year, any tax and interest that are still unpaid will become part of the balance on which interest is charged.

Completing the Declaration Voucher

- a. Complete the worksheet to figure your 2005 estimated tax.
- b. Enter your name, address, and social security number on the voucher (if not preprinted). If you are making a joint declaration, also enter your spouse's social security number. Be sure to enter the name and social security number of each spouse in the same sequence used on your return. Estates and trusts enter the Federal employer identification number.

NOTE: Please print your numbers like this:

1	2	3	4	5	6	7	8	9	0
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- c. Check the appropriate box to indicate the return for which payment is being made: Resident (Form NJ-1040 or NJ-1040EZ), Nonresident (Form NJ-1040NR or NJ-1080C) or Fiduciary (Form NJ-1041).
- d. Enter the actual amount of the payment being submitted in the space provided on the voucher. If you overpaid your 2004 income tax, and elected to apply the overpayment to your 2005 estimated income tax, that overpayment will be automatically credited to the first quarterly installment, or it may be partially or fully applied to any installment. Subtract the amount of the 2004 overpayment from the amount of the installment due and enter only the amount actually being submitted with the voucher.
- e. Enclose your check or money order with the voucher. Remember to write your social security number on your check or money order. If filing jointly, include the social security numbers of both spouses. Estates and trusts enter the Federal employer identification number.
- f. Mail your check or money order along with your voucher to the address listed in *Where to File* on page 1.

NOTE: If payment is made by e-check or credit card, no declaration of estimated tax voucher need be filed. See *Payment of Estimated Tax*, above.

2005 ESTIMATED TAX WORKSHEET FOR INDIVIDUALS (Keep for your records) – DO NOT FILE

(Estates and trusts should use a 2004 Fiduciary Return, Form NJ-1041, to calculate estimated tax for 2005)

1.	TOTAL INCOME EXPECTED IN TAXABLE YEAR	1.	_____
2.	OTHER RETIREMENT INCOME EXCLUSION	2.	_____
3.	NEW JERSEY GROSS INCOME (Subtract Line 2 from Line 1)	3.	_____
4.	a. Number of Exemptions _____ x \$1,000	4a.	_____
	b. Number of Exemptions _____ x \$1,500	4b.	_____
	To determine number of exemptions on Line 4a and 4b see instructions.		
5.	Medical Expenses in excess of 2% (.02) of gross income (Line 3), qualified Archer MSA contributions, and health insurance costs of the self-employed	5.	_____
6.	Alimony and separate maintenance payments	6.	_____
7.	Qualified Conservation Contribution	7.	_____
8.	Total exemptions and deductions (Add Lines 4a through 7)	8.	_____
9.	Taxable Income (Subtract Line 8 from Line 3)	9.	_____
10.	Property Tax Deduction	10.	_____
11.	NEW JERSEY TAXABLE INCOME (Subtract Line 10 from Line 9)	11.	_____
12.	TAX – See Tax Rate Schedules below	12.	_____
13.	Credit for income taxes paid to other jurisdictions	13.	_____
14.	BALANCE OF TAX (Subtract Line 13 from Line 12)	14.	_____
15.	New Jersey income tax withheld or to be withheld	15.	_____
16.	Property Tax Credit	16.	_____
17.	Total Payments/Credits (Add Lines 15 and 16)	17.	_____
18.	ESTIMATED TAX (Subtract Line 17 from Line 14)	18.	_____
19.	Computation of installments: If first declaration is due to be filed on: April 15, 2005 enter 1/4 of Line 18 here June 15, 2005 enter 1/3 of Line 18 here September 15, 2005 enter 1/2 of Line 18 here, or January 15, 2006 enter full amount of Line 18 here and in the space provided on your voucher 19. _____		

If you are applying an overpayment from 2004 to your 2005 estimated tax, see instructions.

If your filing status is:

Single or Married, Filing Separate Return
and Estates or Trusts**Table A**

If Line 11 is:

Over	But Not Over	Multiply Line 11 by:	Subtract	Your Tax
\$ 0	\$ 20,000	x .014	\$ 0	_____
20,000	35,000	x .0175	70.00	_____
35,000	40,000	x .035	682.50	_____
40,000	75,000	x .05525	1,492.50	_____
75,000	500,000	x .0637	2,126.25	_____
500,000	and over	x .0897	15,126.25	_____

If your filing status is:

Married, Filing Joint Return
Head of Household
Qualifying Widow(er)**Table B**

If Line 11 is:

Over	But Not Over	Multiply Line 11 by:	Subtract	Your Tax
\$ 0	\$ 20,000	x .014	\$ 0	_____
20,000	50,000	x .0175	70.00	_____
50,000	70,000	x .0245	420.00	_____
70,000	80,000	x .035	1,154.50	_____
80,000	150,000	x .05525	2,775.00	_____
150,000	500,000	x .0637	4,042.50	_____
500,000	and over	x .0897	17,042.50	_____

NOTE: If your estimated tax should change during the year, you may use the amended computation below to determine the amended amounts to enter on your declaration/voucher.

Amended Computation (Use if your estimated tax changes substantially after you file your first declaration voucher.)			
1. Amended estimated tax			
2. Less (a) Amount of last year's overpayment elected for credit to 2005			
(b) Payment made with 2005 declaration(s)			
(c) Total of Lines 2(a) and 2(b)			
3. Unpaid balance (Line 1 less line 2(c))			
4. Amount to be paid (Line 3 divided by the number of remaining installments)			

Record of Estimated Tax Payments				
Voucher Number	(a) Date	(b) Amount	(c) 2004 Overpayment Credit Applied to Installment	(d) Total Amount Paid And Credited From Jan 1 through Installment Date Shown Add (b) & (c)
1				
2				
3				
4				
Total →				

When You Need Information

Call the New Jersey Automated Tax Information System at 1-800-323-4400 (Touch-tone phones within NJ, NY, PA, DE, and MD) or 609-826-4400 (Touch-tone phones anywhere).

- Listen to recorded tax information on many topics by accessing New Jersey TaxTalk.
- Order forms and publications through our Forms Request message system.
- Get information on 2004 refunds from ARIS, our Automated Refund Inquiry System, 7 days a week (hours may vary) after February 1. You will need the social security number which appears first on your return and the exact amount of your refund (no cents) when calling.

Visit the New Jersey Division of Taxation Home Page at: www.state.nj.us/treasury/taxation/ or e-mail the Division at: taxation@tax.state.nj.us

Subscribe to *NJ Tax E-News*, the Division of Taxation's online information service, at: www.state.nj.us/treasury/taxation/listservice.htm

Still Have Questions? Contact the Customer Service Center

609-292-6400 Speak directly to a Division of Taxation Representative for tax information and assistance, 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

TTY Equipment Users Only

1-800-286-6613 (within NJ, NY, PA, DE, and MD) or 609-984-7300 (anywhere)

Call to ask questions or to order forms and publications.

Need a Form? Call NJ TaxFax

609-826-4500 Obtain many commonly used New Jersey tax forms or a list of available forms by fax. To access NJ TaxFax, dial 609-826-4500 from your fax machine's phone.